



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

**SUBJECT: REPORT ON BIDS FOR
COMBINATION SEWER
CLEANING TRUCKS**

DATE: May 19, 2008

Approved

Christine F. Shippy

Date

5-22-08

RECOMMENDATION

Report on bids and award the purchase of four combination sewer cleaning trucks and optional equipment to the low bidder, Coast Counties Truck & Equipment Co. (San Jose, CA), for a total amount not to exceed \$1,118,589.24, including taxes and fees, and adoption of a resolution to authorize the Director of Finance to:

- a. Execute the purchase order for the initial purchase of quantity four combination sewer cleaning trucks and optional equipment;
- b. Amend the initial purchase order to purchase additional quantities of combination sewer cleaning trucks and optional equipment, on an as-required basis, at the same unit pricing subject to appropriation of funding; and
- c. Execute purchase orders to acquire additional quantities of combination sewer cleaning trucks and optional equipment, on an as-required basis, for four additional years subject to annual manufacturer's price increases added to the initial bid price and appropriation of funding.

OUTCOME

The purchase of these combination trucks will enable the Department of Transportation to maintain existing service levels, while enhancing operational capabilities using new technology available with this acquisition and meet the requirements of pending State legislation and regulations promulgated by the California Regional Water Quality Control Board for the implementation of a mandated Sanitary Sewer Management Plan (SSMP).

BACKGROUND

The Department of Transportation (DOT) has requested the purchase of four Combination trucks (high pressure and vacuum sewer cleaning machines) in order to reduce the number of sanitary stoppages and to clean up sanitary sewer overflows that result from sanitary stoppages. As optional equipment, DOT requested the purchase of cameras mounted to the body of the truck to enhance safe operations of the vehicle. The City of San Jose is working under the direction of the California Regional Water Quality Control Board and within current state laws to develop and implement a Sanitary Sewer Management Plan (SSMP). Various elements and requirements of the SSMP are currently in place with full completion and implementation of the plan anticipated by August 2008.

Two main components of the SSMP include requirements to utilize sewer line cleaning "best management practices" and follow stringent sanitary sewer overflow clean-up procedures. These requirements are designed to reduce and mitigate sewer line blockages and overflows that reach the storm drain system, waterways, and the Bay. Due to the requirements of the SSMP and the need to clean the sewer system on a two to three year cycle, DOT recommends that the sewer cleaning fleet should eventually total ten Combination Sewer cleaning trucks. The City currently has five combination sewer vehicles in its fleet. Purchasing four additional trucks will enable staff to be more efficient in cleaning sewer lines and to comply with pending state regulations in regards to sewer overflows. Staff expects to purchase the additional equipment as funding becomes available.

Combination trucks will be added in accordance with the guidelines and processes established in the City Auditors Vehicle Replacement Report dated February 7, 2003.

ANALYSIS

The Request for Bid (RFB) was structured for the initial purchase of four combination sewer cleaning trucks, with options to purchase additional trucks over a four year period.

A notice inviting bids was published on February 7, 2008 on the City's e-procurement system. A mandatory pre-bid conference was held on February 21, 2008 to answer questions from prospective vendors regarding sewer truck specifications. Three bids were received and publicly opened on March 25, 2008 with the results depicted on the following page.

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Bid Results

| | Coast Counties Truck & Equipment, San Jose, CA | Municipal Maintenance Equipment, Inc, Sacramento, CA | Ricker Machinery Co., Oakland, CA |
|-------------------------|------------------------------------------------------|---------------------------------------------------------------|--------------------------------------|
| Unit Price | \$258,325.00 | \$268,897.50 | \$306,985.00 |
| Sales Tax | \$21,311.81 | \$22,184.04 | \$25,326.26 |
| Non-Taxable Tire Charge | \$10.50 | \$10.50 | \$10.50 |
| Cost Per Unit: | \$279,647.31 | \$291,092.04 | \$332,321.76 |
| Quantity | 4 | 4 | 4 |
| Grand Total: | \$1,118,589.24 | \$1,164,368.16 | \$1,329,287.04 |
| LBE Preference (2.5%) | Yes | No | No |
| SBE Preference (2.5%) | No | No | No |

Although the recommended supplier qualified for the City's Local Business Preference, the Local and Small Business Preference had no effect on the award recommendation.

The bid required pricing to be indexed to the Manufacturer's Suggested Retail Price (MSRP). Annually, the supplier may request a price adjustment based on documented MSRP increases. Additionally, the bid requires the vendor to extend to the City all dealer incentives, discounts, or any other price adjustments offered by the manufacturer.

Staff recommends the award to Coast Counties Truck & Equipment, the low bidder in accordance with the formal bidding procedures of the San Jose Municipal Code, Section 4.12.310.B.

EVALUATION AND FOLLOW-UP

No additional follow up action with the Council is expected at this time.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Since this item meets Criterion 1, this memorandum will be posted on the City's website for the June 10, 2008 Council Agenda. To outreach to potential contractors, this bid was advertised on the City's internet Bid-Line and the City's e-procurement system.

COORDINATION

This memorandum has been coordinated with the Department of Transportation, General Services Department, the City Attorney's Office, and the City Manager's Budget Office.

FISCAL POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Memo, General Principle #2, "We must focus on protecting our vital core city services".

COST SUMMARY/ IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$1,118,589.24

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

| | |
|-------------------------------------|-----------------|
| 4 Combination Sewer Cleaning Trucks | \$ 1,033,300.00 |
| Sales Tax @ 8.25% | \$ 85,247.24 |
| Non Taxable Tire Fee | \$ 42.00 |
| Total: | \$ 1,118,589.24 |

3. SOURCE OF FUNDING: 541 – Sewer Service and Use Charge Fund

4. FISCAL IMPACT: Ongoing maintenance of the equipment is available in departmental annual appropriations.

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BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the purchase of the four sewer cleaning trucks which is recommended as part of this memo.

| Fund # | Appn. # | Appn. Name | RC # | Total Appn. | Cost of Equipment | 2007-2008 Adopted Operating Budget Page | Last Budget Action (Date, Ord. No.) |
|--------|---------|---------------------------------|--------|-------------|-------------------|-----------------------------------------|-------------------------------------|
| 541 | 0512 | NP/Equip-Dept of Transportation | 725300 | \$3,585,544 | \$1,118,589.24 | XI - 76 | N/A |

CEQA

Not a project.


SCOTT P. JOHNSON
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at 408 535-7051.